



Brownfields Cleanup Revolving Loan Fund Pilot

Commerce City, CO

Outreach and Special Projects Staff (5101)

Quick Reference Fact Sheet

EPA's Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years), to assess brownfields sites and to test cleanup and redevelopment models; job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, cleanup revolving loan fund programs (each funded up to \$500,000 over five years) to capitalize loan funds to make loans for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.

BACKGROUND

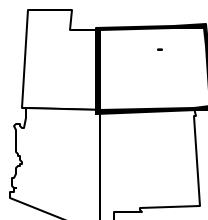
Brownfields sites in the six-county metropolitan Denver area face the environmental challenge of cleanup. Apart from the BCRLF Pilot, there are few brownfields cleanup funding sources available to the private sector in the State of Colorado.

A major focus of the BCRLF Pilot will be the Commerce City and north metro Denver area, which is an area of mixed industrial, commercial, and residential land uses. The target area is also included in a state-designated Enterprise Zone (EZ).

BCRLF OBJECTIVES

The BCRLF Pilot is working in conjunction with EPA Brownfields Assessment Pilots in the Denver area (including Sand Creek Corridor and North Stapleton) and the State of Colorado Voluntary Cleanup Program (VCP) to clean up, redevelop, and reuse the area's brownfields. By focusing on the area's most distressed communities, the city hopes to redevelop sites that have the greatest potential impact on public health, the environment, and job creation. The BCRLF Pilot focuses on providing loan opportunities to for-profit and non-profit entities who are planning brownfields redevelopment projects in the targeted areas.

PILOT SNAPSHOT



Commerce City, Colorado

Date of Award:
September 1997

Amount: \$350,000

BCRLF Target Area : The
Commerce City area and the
Adams County Enterprise
Zone.

Contacts:

Commerce City
(303) 289-3680

Regional Brownfields Team
U.S. EPA - Region 8
(303) 312-6931

Visit the EPA Region 8 Brownfields web site at:
<http://www.epa.gov/region08/cross/brown/brownf.html>

For further information, including specific Pilot contacts,
additional Pilot information, brownfields news and events, and
publications and links, visit the EPA Brownfields web site at:
<http://www.epa.gov/brownfields/>

FUNDSTRUCTUREANDOPERATIONS

The Pilot will be operated in partnership with several area municipal agencies. Commerce City, through its Housing Authority, will serve as the Lead Agency and Fund Manager, and will establish the policy direction for the project. The Colorado Department of Public Health and Environment will assist the Pilot in meeting its site management responsibilities and will conduct environmental cleanup reviews, and ensure compliance through the state VCP.

The BCRLF is initially capitalized at \$350,000 and the Pilot anticipates making up to three loans from this original loan fund.

Applications will be ranked according to their financial risk, environmental benefit, and benefit to the community. Acceptance into the state VCP is a threshold criteria. The Commerce City Housing Authority will evaluate the borrower's financial capability and credit history, as well as the ability to manage the cleanup, as part of the underwriting process. Loan terms will be structured to accommodate the economic realities of the cleanup costs and budget for the planned redevelopment. Like construction loans, the BCRLF loans will be structured with interest-only payments until cleanup is complete. The city plans to set the interest rate at the lowest allowable rate under the program guidelines. Loans will be written for no more than three-year terms, with repayment expected from sale or refinancing of the property. A post-cleanup appraisal of the property will be required to insure the loan-to-value ratio will not be greater than 85 percent, including the BCRLF loan and all prior financing.

LEVERAGINGOTHERACTIVITIES

By combining the loan fund program with other programs and incentives such as tax credits, tax incentive financing in the Enterprise Zone, and the Colorado Department of Public Health and Environment and EPA Pilot site assessment work, Commerce City-area officials hope to create a plan that will address many of its brownfields problems.

Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.
